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March 23, 1998

Federal Communications Commission  
Office of Secretary

A. Richard Metzger, Jr., Chief  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W.; Room 500  
Washington, D.C. 20554

RE: *Clarification of the Commission's Rules on Interconnection Between LECs and  
Paging Carriers, CCB-CPD 97-24 ("SWBT Clarification Request")*

*Implementation of the Local Competition Provisions of the Telecommunications  
Act of 1996, First Report and Order, CC Docket Nos. 96-98/95-185  
("Interconnection Reconsideration Order")*

*Formal Complaints of AirTouch Paging against GTE, File Nos. E-98-08, E-98-10*

*Formal Complaints of Metrocall, Inc. against Various LECs, File Nos. E-98-14-18*

Dear Mr. Metzger:

The Personal Communications Industry Association ("PCIA") has recently learned of the above-referenced letter to you (the "Kellogg Letter") filed on behalf of Southwestern Bell Telephone Company, Pacific Bell, and Nevada Bell (collectively, the "SBC LECs"), a copy of which is attached hereto.

The letter addresses issues pending in the LEC-paging interconnection proceeding. PCIA intends to file a substantive response to the Kellogg Letter by April 8, 1998. In the meantime, PCIA respectfully requests that the Bureau take no action with reference to the pending Stay Request, Applications for Review, and/or Petitions for Reconsideration pertaining to LEC-paging interconnection.

Respectfully submitted,

A handwritten signature in cursive script, reading "Robert L. Hoggarth".

Robert L. Hoggarth, Esquire  
Senior Vice President, Paging and Narrowband PCS  
Angela E. Giancarlo, Esquire  
Government Relations Manager

Attachment

cc: Magalie Roman Salas, Esquire  
Dan Phythyon

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Federal Communications Commission  
Office of Secretary

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March 19, 1998

Mr. A. Richard Metzger, Jr.  
Chief, Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W., Room 500  
Washington, DC 20554

Dear Mr. Metzger:

As you know, considerable disagreement has arisen among various industry participants concerning the implications of your December 30, 1997 letter, setting forth the Bureau's interpretation of the application of Section 51.703(b) of the Commission's rules to interconnection between paging service providers and local exchange carriers. I am writing to suggest a clarification of your letter that I believe would resolve many of these disputes.

The Bureau has interpreted Section 51.703(b) to mean that a LEC may not charge a paging carrier for dedicated facilities used to deliver local telecommunications traffic generated on the LEC's network to the paging carrier's terminal. For reasons we have explained in detail elsewhere, we believe that the Bureau has misinterpreted Section 51.703(b) and that the Commission should correct that misinterpretation.<sup>1</sup> At the very least, however, the Bureau itself should make clear what its letter did not say.

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<sup>1</sup>In particular, SBC maintains that section 51.703(b) of the Commission's rules is effective only in the context of negotiation and arbitration of interconnection agreements pursuant to section 252 of the Act.

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Mr. A. Richard Metzger, Jr.

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Nothing in the Commission's rules or the Local Competition Order requires a LEC to use any particular type of facility to transport traffic originated on its network to a paging carrier's terminal. Indeed, the logic of the Local Competition Order, as well as the Bureau's December 30 letter, indicates that a LEC must attempt to recover the network costs associated with transport of traffic originated on a LEC's network to a paging carrier's terminal from the LEC's local exchange customers. LECs are therefore free to implement rating points for paging numbers in a way that permits this cost recovery.

One implication of this is that if a paging carrier wishes to receive traffic originated throughout a LATA at a single paging terminal in that LATA, any calls received from local exchange areas other than the one in which its paging terminal is located may be rated by the LEC as intraLATA toll calls. In other words, any time a call originated on the LEC's network travels over the LEC's network from a distant local exchange area to the local exchange area where the paging terminal is located, the LEC is permitted to recover intraLATA toll charges from the caller.

If paging carriers wish to offer local calling in multiple local exchange areas served by a single terminal, therefore, they must compensate the LECs for these arrangements. One such arrangement is reverse billing, where the paging carrier pays the intraLATA toll charges incurred by callers to its paging terminal. Another such arrangement is the provision of "FX"-type facilities, dedicated lines used to transport traffic from a distant local exchange area to a paging carrier's distant terminal. If a paging carrier chooses to make use of such services and facilities, nothing in the Commission's rules, the Local Competition Order, or the Bureau's letter prevents LECs from charging for them.

Certainly, the Bureau's letter should not be used to justify a paging carrier in ordering FX-type facilities out of existing State tariffs and then refusing to pay for them. If LECs were prevented from recovering these costs, they would have to attempt to recover the intraLATA toll charges incurred by callers to a distant paging carrier's facilities from local exchange customers generally; such an arrangement would encourage inefficient calling patterns. Again, nothing in the Commission's rules or in the Local Competition Order mandates this result.

If the Bureau issued a clarification along these lines, SBC would be willing to withdraw its Petition for Stay of the Bureau's Letter of December 30. Again, SBC believes that the Bureau's interpretation of Section 51.703(b) was incorrect, and SBC will continue to pursue

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expeditious review of that interpretation. However, a clarification along the lines described above would ease the pressure on SBC to reconfigure its network and therefore render the stay unnecessary. Please contact me if I can help to clarify the foregoing.

Sincerely,

A handwritten signature in black ink that reads "Michael K. Kellogg" followed by a stylized flourish.

Michael K. Kellogg  
Counsel for Southwestern Bell Telephone  
Company, Pacific Bell, and Nevada Bell

cc: Rosalind K. Allen  
Jeanine Poltroneri  
Suzanne Tetreault  
Ed Krachmer  
Tamara Preiss  
Dan Grosh  
David Kreech  
Tejal Mehta